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6 ANTELOPE VALLEY WATER STORAGE, LLC

7 **SUPERIOR COURT OF CALIFORNIA**
8 **COUNTY OF LOS ANGELES – CENTRAL DISTRICT**

9
10 Coordination Proceeding
Special Title (Rule 1550(b))

Judicial Council Coordination Proceeding No.
4408

11 **ANTELOPE VALLEY GROUNDWATER**
12 **CASES**

Santa Clara Case No. 1-05-CV-049053
The Honorable Jack Komar, Dept. 17

13 Included actions:

**ANTELOPE VALLEY WATER STORAGE,
14 LLC'S REQUEST TO WDS CALIFORNIA
15 II, LLC TO PRODUCE WITNESSES AND
16 DOCUMENTS AT TRIAL**

14 Los Angeles County Waterworks District No.
40 v. Diamond Farming Company, a
15 corporation, Superior Court of California,
County of Los Angeles, Case No. BC325201;

Trial Date: May 28, 2013
Time: 9:00 a.m.
Dept: 1

16 Los Angeles County Waterworks District No.
17 40 v. Diamond Farming Company, a
18 corporation, Superior Court of California,
County of Kern, Case No. S-1500-CV-254-
19 348;

20 Wm. Bolthouse Farms, Inc. v. City of
Lancaster, Diamond Farming Company, a
21 corporation, v. City of Lancaster, Diamond
22 Farming Company, a corporation vs. Palmdale
Water District, Superior Court of California,
County of Riverside, Case Nos. RIC 353840,
23 RIC 344436, RIC 344668.

TO WDS CALIFORNIA II, LLC AND ITS ATTORNEYS OF RECORD:

24 NOTICE IS HEREBY GIVEN that pursuant to Code of Civil Procedure §1987(b) and
25 (c), Antelope Valley Water Storage, LLC ("AVWS") requests that WDS California II, LLC
26 ("WDS") produce witnesses Dave Dorrance and Ari Swiller at the trial of the above-captioned
27 matter on May 28, 2013, at 9:00 a.m., in Department 1 of the Los Angeles County Superior
28 Court, located at 111 N. Hill Street, Los Angeles, California, the Honorable Jack Komar

1 presiding, or, if the trial is continued, trailed, or transferred to another location by order of the
2 court, at the new date, time, and location set by the court, to testify as witnesses in this action.
3 Arrangements may be made with the law firm of Herum Crabtree in writing for a scheduled
4 appearance after a courtroom is assigned on or after May 28, 2013.

5 PLEASE TAKE FURTHER NOTICE that pursuant to Code of Civil Procedure §1987(c),
6 AVWS requests that WDS produce the original documents listed below in WDS' possession or
7 under its control, at the trial of the above-captioned matter at the time and place listed above.

8 DEFINITIONS

9 1. The term "DOCUMENT" means all written or graphic matter, however produced,
10 or reproduced, of every kind and description in YOUR actual or constructive possession,
11 custody, care or control, including, without limitation, all writings, drawings, graphs, charts,
12 photographs, blueprints, sketches, sound tapes or recordings, video tapes or recordings, papers,
13 books, accounts, letters, microfilm, magnetic tape, laser discs, magnetic discs, magnetic strips,
14 optical recognition characters, punched paper tapes, microfiche, punched cards, telegrams, wires,
15 cables, invoices, statements, account recommendations, notes, minutes, purchase orders,
16 memoranda including intercorporate, intra corporate, interoffice, and intra office memoranda,
17 reports, studies, contracts, agreements, correspondence, ledgers, books of account, vouchers,
18 bank checks, manifests, charge slips, expense account reports, hotel charges, receipts, working
19 papers, drafts, maps, surveys, plats, statistical records, cost sheets, stenographer notebooks,
20 calendars, appointment books, diaries, time sheets or logs, computer printouts, computer files,
21 computer discs, electronic mail, websites, computer or other data compilations from which
22 information can be obtained or translated through detection devices into reasonably usable form,
23 or any other tangible thing that constitutes or contains matters contained within the scope of
24 "writings" as defined by California Evidence Code § 250.

25 2. The term "RELATE" means to evidence, recount, reflect, report, identify,
26 describe, refer, discuss, summarize, explain or modify.

27 3. The terms "YOU" or "YOUR" refer to WDS California II, LLC, and any of its
28 agents, legal representatives, officers or employees.

1 **DOCUMENTS TO BE PRODUCED**

2 1. The document prepared by YOU titled “Van Dam Land Use
3 Improvements_111704_ajwV2” which summarizes information including the acreage,
4 improvements, and crop information for various parcels at issue in this adjudication from 2000
5 through 2004, a true and correct copy of which is attached hereto as **Exhibit A.**

6 2. The document titled “Lease Agreement” which was signed by YOU and Robert
7 Giragosian of Kern Ridge Growers, and the exhibits thereto, a true and correct copy of which is
8 attached hereto as **Exhibit B.**

9 3. The document titled “First Amendment to Lease” which was signed by YOU and
10 Robert Giragosian of Kern Ridge Growers, and the exhibits thereto, a true and correct copy of
11 which is attached hereto as **Exhibit C.**

12 4. The document titled “Second Amendment to Lease” which was signed by YOU
13 and Robert Giragosian of Kern Ridge Growers, and the exhibits thereto, a true and correct copy
14 of which is attached hereto as **Exhibit D.**

15 5. The document titled “Antelope Valley VDF Map 2012,” a true and correct copy
16 of which is attached hereto as **Exhibit E.**

17 6. The document titled “Lease Agreement” which was signed by YOU and Marie
18 Maritorenna of Maritorenna Farms, a true and correct copy of which is attached hereto as **Exhibit**
19 **F.**

20 These requests are made pursuant to Section 1987(b) and (c) of the Code of Civil
21 Procedure, which provide that the giving of this Notice has the same effect as the service of a
22 subpoena and that, in the event of noncompliance with this Notice, the parties shall have such
23 rights, and the Court may make such orders, including the imposition of sanctions, as in the case
24 of a subpoena for attendance before the court.

25 Dated: May 3, 2013

HERUM \ CRABTREE
A California Professional Corporation

26
27 By: /s/William R. Carlson
28 WILLIAM R. CARLSON
Attorneys for Cross-Defendant
ANTELOPE VALLEY WATER STORAGE, LLC

EXHIBIT A

Van Dam Land Use Improvements_111704_ajwV2

Parcel	Acreage	Year First Farmed	Improvements	Cropping	Well Info		AVEK Water	Gas	Utilities		Environmental Issues
					Yield (gpm)	Refurbished in 1998?			Electric	Phone	
35904101	40	Not Broken	35" Deep Ripping Leveling Soil Amendments 1 Well	2004 - onions 2003 - grain 2002 - onions 2001 - carrots 2000 - carrots					X		
26119609	318	2000	35" Deep Ripping Leveling Soil amendments 1 well 1 shop 1 residence subsurface irr. Piping (see map)	2004 - carrots 2003 - alfalfa 2002 - alfalfa 2001 - alfalfa 2000 - alfalfa 1999 - alfalfa 1998 - grain	1,000	Yes	Yes		X	Residence	
26119611	160	1960		2004 - carrots 2003 - alfalfa 2002 - alfalfa 2001 - alfalfa 2000 - potatoes 1999 - carrots 1998 - carrots	1,000	Yes	Yes		X		
35904111	160	1960	35" Deep Ripping Leveling Soil amendments subsurface irr. Piping (see map)	2004 - carrots 2003 - onions 2002 - alfalfa 2001 - alfalfa 2000 - alfalfa 1999 - alfalfa 1998 - grain					X		
35904112	160	1960	35" Deep Ripping Leveling Soil amendments 2 wells subsurface irr. Piping (see map)	2004 - grain 2003 - onions 2002 - carrots 2001 - onions 2000 - carrots 1999 - carrots 1998 - carrots	1100 (south) 750 (north)	Yes Yes	Yes		X		
26119602	202	1960	35" Deep Ripping Leveling Soil amendments 1 well 1 residence subsurface irr. Piping (see map)	2004 - grain 2003 - onions 2002 - carrots 2001 - onions 2000 - carrots 1999 - carrots 1998 - grain	1,300	Yes	Yes		X	Residence	
26119603	120	1960	35" Deep Ripping Leveling Soil amendments 1 well 1 shop subsurface irr. Piping (see map)	2004 - grain 2003 - onions 2002 - carrots 2001 - onions 2000 - carrots 1999 - carrots 1998 - grain	1,300	Topwork only	Yes		X		Trash pit next to shop
26119604	160	1960	35" Deep Ripping Leveling Soil amendments 1 well	2004 - grain 2003 - alfalfa 2002 - alfalfa 2001 - alfalfa 2000 - alfalfa 1999 - alfalfa 1998 - grain	1,300	Yes	Yes		X		
35904117	157	1960	35" Deep Ripping Leveling Soil amendments 1 well subsurface irr. Piping (see map)	2004 - grain 2003 - alfalfa 2002 - alfalfa 2001 - alfalfa 2000 - alfalfa 1999 - alfalfa 1998 - grain	1,000	Yes	Yes		X		
35904118	153	1960	35" Deep Ripping Leveling Soil amendments 2 wells 2 shops subsurface irr. Piping (see map)	2004 - grain 2003 - grain 2002 - grain 2001 - onions 2000 - carrots 1999 - carrots 1998 - grain	1000 (by shop) 1100 (east side)	Yes Yes	Yes		X	Shop	

EXHIBIT B

LEASE AGREEMENT

THIS LEASE ("Lease") made as of this 1st day of December, 2007, by and between Antelope Valley Water Storage, LLC, a Delaware limited liability company ("Landlord"), and Kern Ridge Growers, LLC, a California limited liability company ("Tenant"), hereafter sometimes referred to collectively as "parties" and individually as "party," with reference to the following facts:

RECITALS

WHEREAS, Landlord is the owner of the real property described on Exhibit "A" with the assessor parcel numbers and net farmable acres and also depicted in the maps in Exhibit "B" both attached hereto and incorporated herein by this reference ("Property"). (Note: With respect to Exhibit "B", an "X" has been placed in each parcel which makes up the Property that will be subject to this Lease, which Property consists of 1,404 farmable acres);

WHEREAS, the Property is a part of the land and facilities which comprise the Antelope Valley Water Bank located in the Neenach sub-basin of the Antelope Valley Groundwater Basin. Landlord and Tenant intend by this Lease to provide for the conjunctive use of the Property for a sustained farming operation under the terms stated in this Lease and for the purposes of Landlord's use of the Property for groundwater recharge, banking, storage and recovery in accordance with permits and agreements governing the Antelope Valley Water Bank ("Project");

WHEREAS, the Property was subject to those certain lease agreements entered into on April 27, 2004 ("Original Lease"), between the predecessors-in-interest to the parties hereto that had a term of six (6) years from January 2005 through December of 2010 together with that certain separate lease agreement entered into on October 17, 2007 ("Second Lease") containing a portion of an additional 160 acre parcel that had a term of approximately one (1) year from October 17, 2007 to December 31, 2008, which the parties hereto desire that this Lease supersede and replace the Original Lease and Second Lease in their entirety and the Original Lease and Second Lease shall be void and of no effect upon execution of this Lease;

WHEREAS, Tenant is in the business of farming and marketing certain crops;

WHEREAS, Landlord and Tenant desire to work cooperatively so that the Property can be jointly developed and used to sustain a successful farming operation in conjunction with a successful groundwater recharge, banking, storage and recovery project; and

WHEREAS, Tenant desires to lease the Property from Landlord, and Landlord desires to lease the Property to Tenant, all subject to the terms and conditions further set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and agreements hereinafter contained, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Leased Premises. Subject to Landlord's reservation of its right to use the Property for Project purposes as set forth herein, Landlord hereby leases to Tenant and Tenant leases from Landlord, the Property and all improvements thereon, including but not limited to ten (10) wells located on the Property ("Wells"), as indicated on Exhibit "C" attached hereto, all pursuant to the terms and conditions set forth herein. The leased premises exclude all future Project related improvements absent prior written agreement by Landlord.

2. Term. Subject to Landlord's right to terminate this Lease as to certain portions of the Property as set forth hereafter, the term of this Lease shall commence on December 1, 2007, and shall continue until midnight on December 31, 2010 ("Term").

3. Right of First Refusal to Farm Project Land.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4. Right of First Refusal to Farm Additional Land.

[REDACTED]

[REDACTED]

5. Rent.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

6. Purpose. This Lease is entered into to allow Tenant the use of the Property for the purpose of cultivating certain crops, which crops shall include, but not be limited to, carrots ("Crops") and for such purposes incidental thereto including, but not limited to, cultivating, harvesting, hauling, packing and storage of the Crops. Tenant shall be responsible for and shall plant, grow, harvest and otherwise farm the Property for Tenant's own account. Tenant shall farm in accordance with the good farming practices utilized in the area and in compliance with all existing and future laws, ordinances and regulations applicable to Tenant's use of the Property during the Term. Tenant agrees that it shall not use or permit the use, storage or dumping of municipal waste, sewage or sludge or other substance on the Property which has any potential of contaminating the soil or groundwater underlying the Property, except for materials or chemicals currently utilized/consistent with good farming practices in the area.

7. Wells and Water Usage.

a. Landlord represents that there are ten (10) existing Wells on the Property having the capacities set forth on Exhibit "C" attached hereto and incorporated herein by this reference. Eight (8) of the Wells are electric and two (2) are diesel. The parties hereto acknowledge that the Wells are improvements subject to this Lease, and throughout the Term hereof, Tenant shall have the exclusive right to use such Wells and water drawn there from, provided that, with Tenant's prior consent, Landlord may use one or more of such Wells for Project purposes in the manner stated in subsection 7(b) below. Landlord agrees that upon execution of this Lease, Landlord shall provide Tenant with copies of any and all water service agreements which may affect the Property and or the Wells. Except as otherwise provided herein, Tenant agrees to take possession of the Wells in their current as-is condition, provided however that Landlord represents that to the best of its knowledge, all Wells are in good condition and fully operational. Any credits for water usage during the Term of this Lease which accrue as the result of Tenant's use and possession of the Property, shall accrue to the benefit of the Property and Landlord for purposes of establishing prior beneficial use.

b. Landlord reserves the right to use the Wells on the Property for Project purposes in accordance with the permits, approvals and agreements obtained by or for Landlord in connection with the Antelope Valley Water Bank, conditioned upon Tenant's prior express consent which consent shall not be unreasonably withheld so long as Landlord's use of the Wells does not unreasonably interfere with Tenant's farming operations on the Property or diminish the quantity or quality of water necessary for Tenant's farming operation. To the extent that Landlord's use of the Well(s) causes the quantity of water available from the Well(s) to be insufficient for farming operations and Tenant elects to utilize alternative sources of water for irrigation that are more expensive than water taken from the Well(s), then Landlord shall either reimburse Tenant for such additional cost or provide a rent credit that is of equivalent value for the balance of the Lease term. If any of the Wells required by Tenant become unavailable or incapable of being used by Tenant for farming purposes due to the degradation of the components of the Well as a direct result of Landlord's activities in connection with the Project, Landlord shall be responsible for the cost to timely repair, replace or reconstruct the components

of the Well (to a maximum amount of \$100,000.00 per well) so that any such Well is made suitable for farming operations or Landlord will provide Tenant with an alternate source of water. If the alternative source of water is more expensive than water taken from the Wells, then Landlord will either reimburse Tenant for such additional cost or provide a rent credit that is of equivalent value for a period not exceeding one (1) year.

c. To the extent Landlord exercises its right to terminate this Lease as to portions of the Property as provided herein, and there exist Wells and other irrigation improvements located on the portions of the Property which are terminated, Tenant shall continue to have access to and use of such Wells and irrigation improvements to irrigate the remaining Property and the additional approximate 120 acre parcel subject to another lease of former Van Dam property by Tenant.

8. Project Water Delivery. To the extent Project water is available to Landlord, Tenant may request that Landlord (including its designee) deliver water to Tenant at cost for use on any portion of the Property, provided that the cost shall not exceed the average cost to produce an equal amount of water from the existing Wells on the Property.

9. Operating and Maintenance Costs. Except as otherwise provided herein, Tenant shall keep and maintain the Property and any improvements utilized for farming purposes in good order and repair and in the same condition as when received, except for reasonable wear and tear. Without limiting the generality of the foregoing, Tenant shall be responsible for all routine operating, maintenance and repair costs in connection with Tenant's use of the Property and the Wells for farming purposes. Notwithstanding the foregoing, the Landlord shall be responsible for non-routine maintenance and repair costs for the Wells and related irrigation facilities in excess of \$2,500.00 per event so that they are in good condition and repair, except where any maintenance and repair is necessitated by Tenant's negligent or abusive use or Tenant's failure to conduct routine repairs and maintenance as required by this Section 9, in which case Tenant shall be responsible for all such maintenance and repair costs necessitated thereby. Landlord shall be responsible for all capital, maintenance and operating costs in connection with Landlord's use of the Property for Project purposes. Landlord shall keep and maintain all improvements on the Property utilized for Project purposes.

10. Property Taxes. (i) Tenant shall pay, prior to delinquency, all personal property taxes or assessments levied upon Tenant's personal property situated on or about the Property during the Term of this Lease, and (ii) Landlord shall pay all real property taxes or assessments levied in connection with the Property. During the Term of this Lease, Tenant shall take no action in its operations or construct any improvements which will result in an increase in Landlord's liability for real property taxes, other than farming the Property.

11. Insurance. At all times during the Term hereof and at Tenant's sole cost, Tenant shall maintain in full force and effect, for the protection of Landlord and Tenant, as their interests may appear, a policy or policies of insurance in form and in substance reasonably satisfactory to Landlord and with insurers reasonably acceptable to Landlord, which afford the following coverages: (i) worker's compensation in the statutorily required amount, together with employers' liability coverage, (ii) comprehensive general liability insurance with an aggregate liability amount not less than \$2,000,000 combined single limit, and (iii) any other insurance required

applicable by law during the Term in connection with Tenant's use of the Property. Landlord shall be an additional insured pursuant to such policies and the insurance required by this Section shall be primary as respects Landlord and not contributory with any other available insurance, shall contain such endorsements as are reasonably acceptable to Landlord, and shall require not less than thirty (30) days prior notice to Landlord in the event of cancellation or modification.

12. Hazardous Substances.

a. Except in compliance with applicable laws and regulations, Tenant shall not use, store or knowingly permit hazardous or toxic substances, materials or waste, or similar substances, as defined under applicable federal and state laws and regulations ("Hazardous Substances").

b. Tenant shall comply with all applicable federal, state and local environmental protection, occupational, health and safety and similar laws, ordinances, restrictions, licenses and regulations.

13. Waste or Nuisance. Tenant shall not commit, or permit others to commit, any waste upon the Property. Tenant shall not maintain, commit, or permit the maintenance or commission of any nuisance as defined by California Civil Code Section 3479 on the Property. Tenant shall not use or permit the use of the Property for any unlawful purpose or for any purpose other than that set forth herein.

14. Right of Entry. Landlord or its agents, servants employees or representatives may enter the Property at any reasonable time (i) for Project purposes (ii) for the purpose of ascertaining compliance by Tenant with the requirements of this Lease, (iii) in connection with Landlord's development, leasing or sale: plans for the Property, if any, including but not limited to placing of "For Sale" or "For Rent" signs on the Property, or (iv) for the purpose of doing other lawful acts that may be necessary to protect Landlord's interest in the Property. Notwithstanding the above, Landlord shall not materially interfere with Tenant's farming operation except as otherwise agreed to between the parties.

15. Alterations and Mechanics' Liens.

a. Tenant shall not make or permit any alterations or improvements (excluding planting and cultivation of Crops and installing necessary irrigation systems) to the Property having a value in excess of \$50,000 without the prior written consent of Landlord, which consent shall not be unreasonably withheld. The foregoing notwithstanding, Tenant may make necessary repairs to the Property and the improvements thereon as needed without Landlord's consent. Any alterations or improvements placed upon the Property shall be constructed in a good and workmanlike manner and shall be in full compliance with any applicable laws, ordinances and regulations. Upon termination or expiration of this Lease, any improvements and alterations other than trade fixtures shall be the property of Landlord, and no reimbursement to Tenant shall be required. Tenant shall remove all trade fixtures placed by Tenant on the Property on or before the expiration of this Lease.

b. Any alterations or improvements placed upon the Property by Tenant shall be constructed at Tenant's sole cost and expense in the absence of Landlord's prior agreement to the contrary. Tenant shall keep the Property free and clear of any and all liens arising out of any work performed or materials furnished at the request of Tenant, or obligations incurred by Tenant.

16. Liens, Taxes, Assessments, Utility Charges. Tenant shall not permit to be enforced against the Property or any part thereof, any liens arising from Tenant's use of the Property or from Tenant's failure to fully comply with the obligations set forth in this Lease, and Tenant shall discharge or post bond against all such liens before any action is brought to enforce the same.

17. Default and Remedies.

a. Any failure by Tenant to pay rent within ten (10) days after receipt of written notice therefrom Landlord shall be deemed a default under this Lease. Any failure by Tenant to cure (or commence and diligently pursue cure) of any violation of any other covenant within thirty (30) days after receipt of written notice thereof from Landlord, shall be deemed a default under this Lease. Any appointment of a receiver to take possession of all or substantially all of the assets of Tenant, any making of a general assignment by Tenant for the benefit of creditors, any filing by or against Tenant under any bankruptcy or insolvency act, or any levying of any writ of attachment or writ of execution against Tenant's interest in the Property or any Crops thereon, which shall not be satisfied or discharged by Tenant within sixty (60) days after receipt of written notice thereof from Landlord, shall be deemed a default under this Lease.

b. Upon any default by Tenant under the terms of this Lease, Landlord shall have the right to exercise any and all remedies available at law or in equity including, without limitation, the right to terminate Tenant's right to possession of the Property by any lawful means, in which case, this Lease shall terminate and Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenants default.

18. Possession. Subject to Landlord's right to use the Property for Project purposes as specifically set forth herein, Tenant shall be granted exclusive possession of the Property on execution of this Lease. Landlord represents that there are no leases affecting the Property in effect, and there are no parties claiming any right to possession of any portion of the Property.

19. Adjudication. Landlord and Tenant acknowledge that the Antelope Valley Ground Water Basin is undergoing an adjudication of the claims of all parties who assert a right to groundwater within the basin in the Antelope Valley Groundwater Cases (Judicial Council Coordination Proceeding No. 4408) pending before the Superior Court of Los Angeles County ("Adjudication"). It is the Landlord's intent to retain all its rights to recharge, store, recover and use water from the basin. Landlord does not represent, warrant or guarantee any outcome or resolution of the Adjudication as it may relate to the Property, and Landlord shall not be responsible to Tenant for any reduction in groundwater available to the Property that may result from the Adjudication.

20. Landlord's Right to Terminate. Landlord shall have the right to terminate this Lease as to portions of the Property, which portions are indicated by a "W" on Exhibit "B," which total approximately 678 gross acres ("Termination Portion"). Landlord may exercise such termination right to terminate for up to 480 gross acres per year provided that the portions so terminated shall be used for Project purposes. Landlord may terminate this Lease as to such portions of the Property subject to the following conditions:

a. Landlord must deliver to Tenant in writing advance notice (a "Termination Notice") of at least one (1) calendar year. For example, if Landlord elects to terminate portions of the Property as provided above, as of a particular date (the "Termination Date"), for example, January 1, 2009, Landlord must give Tenant a written notice indicating the specific portion(s) of the Property subject to termination no later than January 1, 2008. Tenant will release to Landlord the acreage subject to the Termination Notice at the earliest possible date following completion of harvest but in no event later than the Termination Date.

b. Effective as of any Termination Date, Rent thereafter shall be adjusted downward to reflect the removal of the farmable acreage covered by the Termination Notice.

c. Upon receipt of any Termination Notice, Tenant shall have until the earlier of (i) the following December 31, or (ii) one hundred eighty (180) days from the date of the Termination Notice to elect to terminate this Lease by delivery of written notice thereof to Landlord.

21. Notices. All notices and other communications made pursuant hereto shall be in writing and shall be deemed properly delivered, given or served when (i) personally delivered, or (ii) mailed by certified or registered mail, postage prepaid. Return receipt requested and addressed to the other party at the address stated herein below, or at an address the party may hereafter designate in writing:

TENANT: Kern Ridge Growers, LLC
P. O. Box 455
25429 Barbara Street
Arvin, CA 93203
Attn: Robert P. Giragosian
Tele No. (661) 854-3141
Fax No. (661) 854-7229

LANDLORD: Antelope Valley Water Storage, LLC
c/o Western Development & Storage
5700 Wilshire Blvd., Suite 330
Los Angeles CA 90036
Attn: Andrew Werner
Tele No. (323) 936-9303
Fax No. (323) 930-9114

With a copy to:

c/o CIM Group
6922 Hollywood Blvd., 9th Floor
Los Angeles, CA 90028
Attn: Avi Shemesh
Tele No. (323) 860-4900
Fax No. (323) 860-4901

22. Attorneys' Fees. In the event of any litigation between Landlord and Tenant to interpret or enforce any of the provisions of the Lease or any right of either party hereto, the unsuccessful party to such litigation agrees to pay to the successful party all costs and expenses including, but not limited to, reasonable attorneys' fees, incurred therein by the successful party, all of which shall be included in and as a part of judgment rendered in such litigation.

23. Waivers. A waiver by any party of any of the terms and conditions of this Lease in anyone instance shall not be deemed or construed to be a waiver of such term or condition for the future, or of any subsequent breach thereof, nor shall it be deemed a waiver of performance of any other obligation hereunder. No waiver by either party shall be effective unless contained in a writing signed by the waiving party.

24. Successors and Assigns; Encumbrances. This Lease shall be binding upon and shall insure to the benefit of the parties hereto and their respective successors and assigns. Tenant shall have the right to assign its interest under this Lease, upon Landlord's prior written consent, which consent shall not be unreasonably withheld so long as Landlord determines that the assignee is capable of fully performing all the terms of this Lease, provided that Tenant remains liable under this Lease. Tenant shall have the right to encumber its interest under this Lease provided that in no event shall any encumbrance in any way affect or jeopardize Landlord's interest in the Property, including use of the Property for Project purposes.

25. Release of Landlord Upon Sale or Assignment. Landlord shall have the right to sell the Property and/or assign its interest under this Lease, provided that in any such event Landlord agrees to and shall, as a condition precedent to any such sale and/or assignment, obtain written agreement from the buyer and/or assignee, in form and substance satisfactory to Tenant, to, subsequent to such sale and/or assignment, recognize and honor all this Lease and all rights of Tenant hereunder. The parties hereto agree to execute and record a Memorandum of Lease giving notice of this Lease.

26. Holding Over. Holding over by Tenant after the termination or expiration of this Lease shall not constitute a renewal or extension thereof, or give Tenant any rights hereunder in or to the Property.

27. Condemnation. In the event that during the Term of this Lease, there is a total or partial taking of the Property by a public authority under the power of eminent domain, then the leasehold estate of Tenant in the Property shall cease and terminate as to that portion of the Property so taken, which termination shall be effective as of the date actual physical possession of said portion of the Property is taken. All compensation and damages awarded for the taking of all or any portion of the Property shall, except as otherwise herein provided, belong to and be the

sole property of Landlord, provided however, that Tenant shall be entitled to a pursue a claim against the condemning authority for reimbursement for costs and expenses invested into the Crop or the value of the Crop which ever is greater and expenses of relocating the farming operation, if applicable, provided that Tenant's claim does not reduce the compensation or damages payable to Landlord.

28. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of California.

29. Arbitration and Attorneys Fees. Any controversy between the parties regarding the performance or the interpretation of this Agreement or any claim arising out of this Agreement or default thereof, excepting any action seeking equitable or other provisional remedy, including without limitation, an injunction, writ or other order providing for immediate possession of the Property, shall be submitted to binding arbitration on the written request of one party after service of the request on the other party. Arbitration shall be settled by Judicial Arbitration Mediation Services ("JAMS") or any other mediation service agreed to by the parties and judgment upon any award rendered by such arbitrator may be entered in any court having jurisdiction.

If either party shall bring any action or initiates arbitration for relief against the other, declaratory or otherwise, arising out of this Agreement, the losing party shall pay to the prevailing party a reasonable sum for attorneys fees incurred in arbitration and/or bring an action. The parties agree that in the event of an action or arbitration involving or in any way related to the terms and provisions of this Agreement or the obligations deriving therefrom, the place of performance of this Agreement shall be deemed to be Kern County, California and that this Agreement has been made in Kern County, California.

30. Captions, Pronouns. Any titles or captions contained in this Lease are for convenience only and shall not be deemed part of the context of this Lease. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural. as to the identification of the person or person, firm or firms, corporation or corporations may require.

31. Entire Agreement. This Lease contains the entire agreement of the parties relating to the rights granted and obligations assumed in this instrument and supersedes any and all other agreements, contracts or understandings between the parties. Any oral representations or modifications concerning this instrument shall be of no force or effect unless contained in a subsequent written modification signed by the party to be charged.

32. No Broker. Each of the parties hereto represents that it has not used or engaged the services of any real estate broker in the negotiation of this Lease and that no real estate commissions are due upon execution or performance hereof. Each party hereto shall indemnify, defend and hold harmless the other party from any claims for real estate commissions resulting from the indemnifying party's breach of the representation set forth in this paragraph.

33. Recitals. The Recitals set forth above are incorporated herein by reference as operative provisions of this Lease.

34. Termination of Prior Lease Agreements. Upon execution of this Lease, the Lease Agreement dated April 27, 2004, which was assigned from Peter Rabbit Farms to Wm. Bolthouse Farms, Inc. to Kern Ridge Growers, LLC, and the Lease Agreement dated October 17, 2007, between Kern Ridge Growers, LLC and Craig Van Dam, are both hereby terminated by Kern Ridge Growers, LLC and Antelope Valley Water Storage, LLC.

35. Time of Essence. Time is of the essence with regard to the provisions of this Lease.

36. Tenant's Indemnity. Except to the extent arising from Landlord's willful misconduct or gross negligence, Tenant hereby indemnifies Landlord, and shall forever save and hold Landlord harmless, from and against all obligations, liens, claims, liabilities, costs (including, but not limited, to all attorneys' and other professional fees and expenses), actions and causes of action, threatened or actual, which Landlord may suffer or incur arising out of or in connection with Tenant's actions and omissions relating to this Lease, including without limitation the use by Tenant of the Property, the conduct of Tenant's business, any activity, work or things done, permitted or suffered by Tenant in or about the Property, Tenant's failure to comply with any applicable law, or any negligence or willful misconduct of Tenant or any of its agents, contractors or employees.

37. Exemption of Landlord. Tenant hereby agrees that Landlord shall not be liable for any injury to Tenant's business or any loss of income therefrom or for any consequential damages from any cause whatsoever. Landlord shall not be liable for any damage, destruction or loss of property or for any injury or death to any person arising from any act or neglect of any matter beyond the reasonable control of Landlord. Landlord or any successor in interest of Landlord (whether one or more individual(s), a partnership, a joint venture, a corporation, a trustee or other fiduciary, or the trust or other entity or organization for which any fiduciary acts) shall have no direct or personal liability with respect to any term or requirement of this Lease beyond Landlord's or the successor's interest in the Property. Tenant shall look solely to the estate of Landlord or the successor in the Property for the satisfaction of any claim by Tenant against Landlord.

IN WITNESS WHEREOF, this Lease has been executed by the parties on and as of the date first written above.

LANDLORD:

Antelope Valley Water Storage, LLC, a
Delaware limited liability company

By: Antelope Valley Public Water, LLC,
a Delaware limited liability company
its Operating Manager

By: WDS California, LLC,
a California limited liability company
its Member

By: 
J. ARI SWILLER, its Member

TENANT:

Kern Ridge Growers, LLC, a California
limited liability company

By: 
ROBERT P. GIRAGOSIAN, Manager

EXHIBIT A

Description of Property

<u>Assessor's Parcel Number</u>	<u>Field Number</u>	<u>Gross Parcel Acres</u>	<u>Net Farm Acres</u>
261-196-04	VD 1	158.18	153
359-041-18	VD 2	152.87	147
261-196-03	VD 3 & 4	119.09	151
261-196-02	VD 3 & 4	199.00	111
359-041-17	VD 5	156.59	191
261-196-11	VD 6	160.00	145
261-196-09	VD 8	159.09	156
261-196-09	VD 9	159.09	155
359-041-11	VD 10	160.00	155
359-041-01	VD 12	<u>39.73</u>	<u>39</u>
		1463.73 Gross Acres	1404 Net Acres

EXHIBIT B

Map

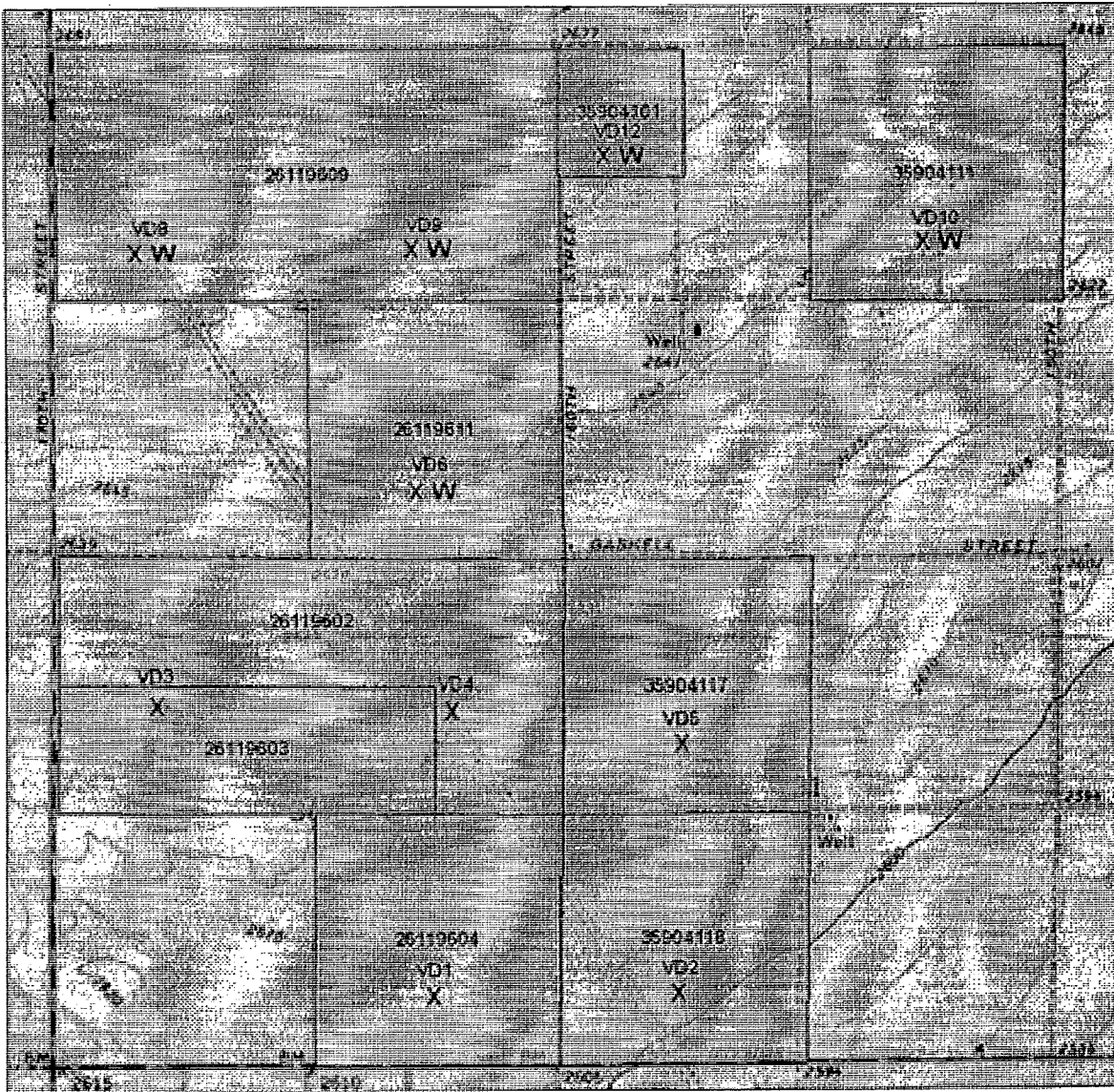


EXHIBIT C

Wells

Well	Estimated Capacity
1	1100 Gallons per minute ("GPM")
2	1000 GPM
3	1250 GPM
4	1250 GPM
5	1250 GPM
6	900 GPM
7	900 GPM
8	900 GPM
9	900 GPM
10	800 GPM
TOTAL	10,250 GPM

EXHIBIT D

Project Land

APN Number	County
359-041-11	Kern
359-041-01	Kern
261-196-09	Kern
359-041-12	Kern
261-196-11	Kern
359-041-17	Kern
261-196-02	Kern
261-196-03	Kern
359-041-18	Kern
261-196-04	Kern
3258-001-028	Los Angeles
3258-001-029	Los Angeles

EXHIBIT C

FIRST AMENDMENT TO LEASE


THIS FIRST AMENDMENT TO LEASE (this "Amendment") is made and entered into as of August 24, 2010, by and between ANTELOPE VALLEY WATER STORAGE, LLC, a Delaware limited liability company ("Landlord"), and KERN RIDGE GROWERS, LLC, a California limited liability company ("Tenant").

RECITALS

- A. Landlord and Tenant entered into that certain Lease Agreement dated as of December 1, 2007 (the "Lease"), whereby Landlord leases to Tenant and Tenant leases from Landlord certain Property located in Kern County, California, as indicated on Exhibits A and B to the Lease (the "Property").
- B. The term of the Lease is scheduled to expire on December 31, 2010.
- C. Tenant has exercised its First Refusal Rights pursuant to Section 3 of the Lease to lease for the calendar year 2011 Available Land consisting of 303 net farmable acres with the assessor parcel numbers and net farmable acres set forth in Exhibit A to this Amendment and depicted in the map attached as Exhibit B to this Amendment.
- D. Unless otherwise defined herein, capitalized terms as used herein shall have the same meanings as given thereto in the Lease.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT

1. Term. The Term of the Lease is hereby extend for a period of one year commencing on January 1, 2011 and expiring on December 31, 2011 (the "Extended Term").
2. Leased Property. During the Extended Term all references in the Lease to the "Property" shall mean the 303 net farmable acres of land described in Exhibits A and B attached to this Amendment.
- 

4. Brokers. Each party represents and warrants to the other that no broker, agent or finder negotiated or was instrumental in negotiating or consummating this First Amendment. Each party further agrees to defend, indemnify and hold harmless the other party from and against any claim for commission or finder's fee by any entity who claims or alleges they are entitled to a commission based on the acts of the indemnifying party.


5. No Further Modification. Landlord and Tenant agree that except as expressly set forth in this Amendment, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect and specifically, the rights and obligations set forth in the Lease at Section 3 and Section 4 shall remain unmodified by this Amendment and continue through December 31, 2013. Effective as of the date hereof, all references to the "Lease" shall refer to the Lease, as amended by this Amendment.

IN WITNESS WHEREOF, this Amendment has been executed as of the day and year first above written.

"LANDLORD"

ANTELOPE VALLEY WATER STORAGE, LLC,
a Delaware limited liability company

By: Antelope Valley Public Water, LLC,
a Delaware limited liability company
its Operating Manager

By: 
Is: Member

"TENANT"

KERN RIDGE GROWERS, LLC, a California
limited liability company


By: 
ROBERT P. GIRAGOSIAN, Manager

EXHIBIT A

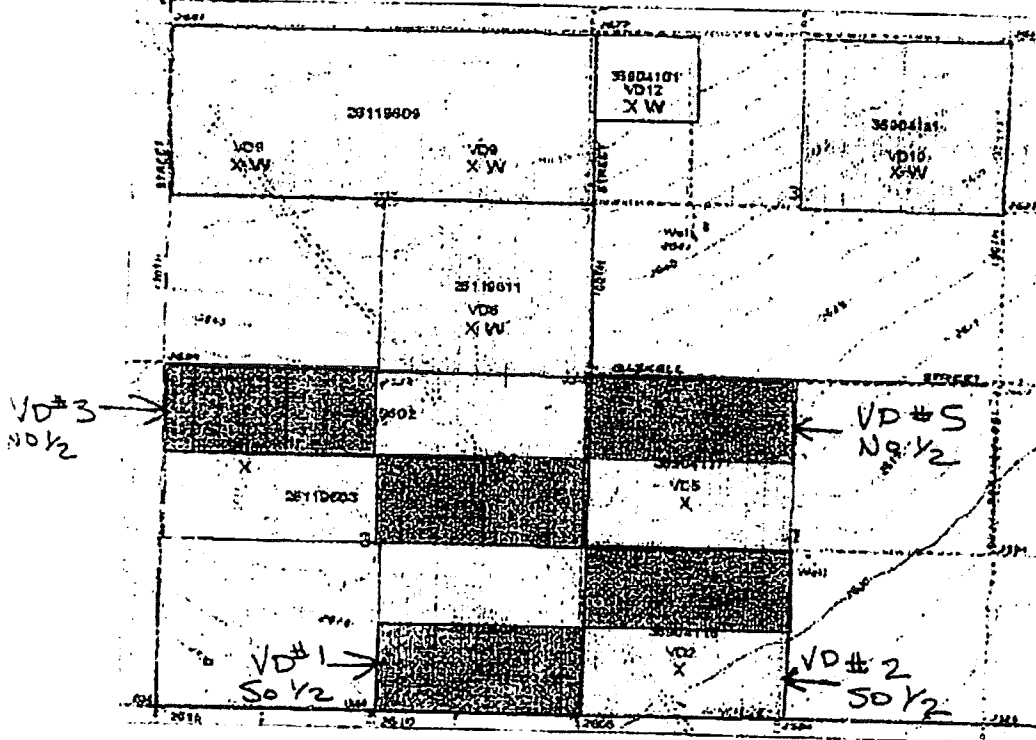
Description of Property

<u>Assessor's Parcel Number</u>	<u>Field Number</u>	<u>Gross Parcel Acres</u>	<u>Net Farm Acres</u>
261-196-04	S ½ VD 1	79.09	76
359-041-18	S ½ VD 2	76.43	74
261-196-02	N ½ VD 3	~80	78
359-041-17	N ½ VD 5	78.30	75
		<u>313.69</u> Gross Acres	<u>303</u> Net Acres

EXHIBIT B

Map

South of VD 3, VD 5, and VD 2
 South of VD 1 and VD 1



VD #1	So 1/2	76 ACRES
VD #2	So 1/2	74 ACRES
VD #3	No 1/2	78 ACRES
VD #5	No 1/2	75 ACRES

© 1997 J. W. W. & Co. - Lissa, Inc. (21) (3) 303 ACRES

EXHIBIT D

SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE (this "Amendment") is made and entered into as of June 2, 2011, by and between ANTELOPE VALLEY WATER STORAGE, LLC, a Delaware limited liability company ("Landlord"), and KERN RIDGE GROWERS, LLC, a California limited liability company ("Tenant").

RECITALS

A. Landlord and Tenant entered into that certain Lease Agreement dated as of December 1, 2007 (the "Original Lease"), as amended by that certain First Amendment to Lease dated as of August 24, 2010 (the "First Amendment", and together with the Original Lease, collectively, the "Lease"), whereby Landlord leases to Tenant and Tenant leases from Landlord certain Property located in Kern County, California, as indicated on Exhibits A and B to the First Amendment (the "Property").

B. The term of the Lease is scheduled to expire on December 31, 2011.

C. The parties desire to amend the Lease on the terms and conditions set forth in this Amendment.

D. Unless otherwise defined herein, capitalized terms as used herein shall have the same meanings as given thereto in the Lease.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT

1. Term. The Term of the Lease is hereby extend for a period of one year commencing on January 1, 2012 and expiring on December 31, 2012 (the "Extended Term").

2. Leased Property. During the Extended Term all references in the Lease to the "Property" shall mean the 327 net farmable acres of land described in Exhibits A and B attached to this Amendment.

4. Rights of First Refusal. Paragraphs 3 and 4 of the Lease are hereby deleted in their entirety and shall be of no further force and effect. Accordingly, the Lease shall expire on December 31, 2012 and Tenant shall have no options or further rights of first refusal to extend the Lease with respect to the Property or any other Land owned by Landlord.

5. Compromise. The parties agree that this Amendment is in compromise and settlement of a dispute between them regarding Tenant's First Refusal Rights pursuant to Section 3 of the Lease to lease additional land for the calendar year 2012. This Amendment shall not be considered as an admission of the truth or correctness of any claim against them, or of fault or liability by them, each party denying any fault or liability by it.

6. Brokers. Each party represents and warrants to the other that no broker, agent or finder negotiated or was instrumental in negotiating or consummating this First Amendment. Each party further agrees to defend, indemnify and hold harmless the other party from and against any claim for commission or finder's fee by any entity who claims or alleges they are entitled to a commission based on the acts of the indemnifying party.

7. No Further Modification. Landlord and Tenant agree that except as expressly set forth in this Amendment, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect. Effective as of the date hereof, all references to the "Lease" shall refer to the Lease, as amended by this Amendment.

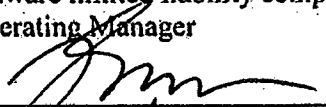
--Signatures Next Page--

IN WITNESS WHEREOF, this Amendment has been executed as of the day and year first above written.

"LANDLORD"

ANTELOPE VALLEY WATER STORAGE, LLC,
a Delaware limited liability company

By: Antelope Valley Public Water, LLC,
a Delaware limited liability company
its Operating Manager

By 
Its: Number

"TENANT"

KERN RIDGE GROWERS, LLC, a California
limited liability company

By 
ROBERT P. GIRAGOSIAN, Manager

EXHIBIT E

Antelope Valley VDF Map 2012

EXHIBIT B

Map

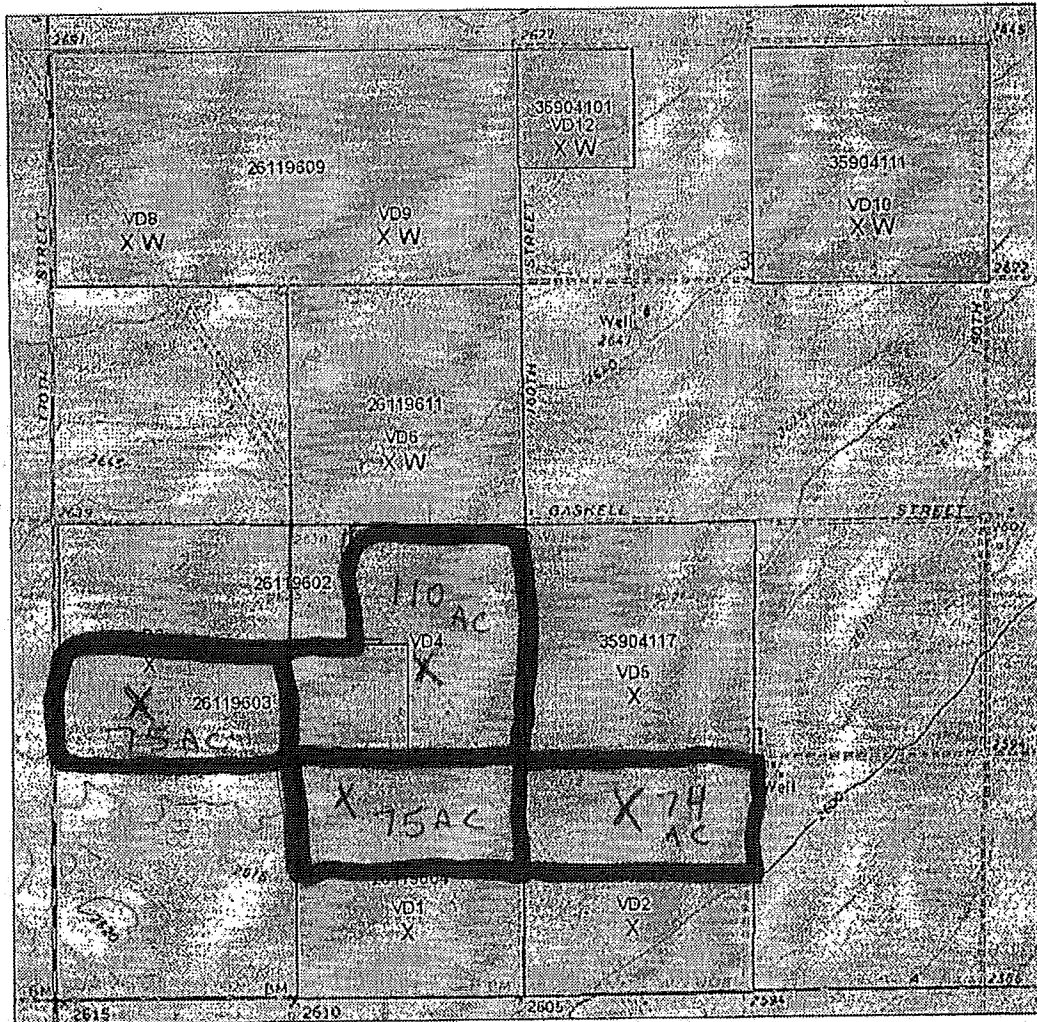


Exhibit B-1

EXHIBIT F

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") made this 20 day of February, 2012, by and between ANTELOPE VALLEY WATER STORAGE, LLC ("Landlord"), and MARITORENA FARMS, a General Partnership consisting of general partners Jose Maritorena, Marie Maritorena and Jean Pierre Maritorena ("Tenant") with reference to the following facts:

RECITALS

A. WHEREAS, Landlord is the owner of approximately 160 acres, more or less, of real property, described as the northwest quarter of fractional Section 31, T9N, R14W, SBB&M in the County of Kern, State of California, aka APN 359-041-17, approximately located to the Southwest of the intersection of 155th Street West & Gaskell Rd, Rosamond, CA 93560 ("Property").

B. WHEREAS, Tenant is in the business of farming certain crops.

C. WHEREAS, Tenant desires to lease the Property from Landlord, and Landlord desires to lease the Property to Tenant, all subject to the terms and conditions further set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. **Leased Premises.** Landlord hereby leases to Tenant and Tenant leases from landlord, the Property pursuant to the terms and conditions set forth herein.

2. **Term.** Subject to the terms and conditions contained herein, the term of this Lease shall commence on January 1, 2012 and shall continue until midnight on June 30, 2012.

3. **Rent.** [REDACTED]

4. **Purpose.** This Lease is entered into to allow Tenant the use of the Property for the purpose of cultivating certain crops ("Crops") and for such purposes incidental thereto including, but not limited to, cultivating, harvesting, hauling, packing and storage of the Crops. Tenant shall be responsible for and shall plant, grow, harvest and otherwise farm the Property for Tenant's own account. Tenant shall farm in accordance with the best farming practices in the area and in compliance with all existing and future laws, ordinances and regulations applicable to Tenant's use of the Property. Tenant agrees that it shall not use or permit the use, storage or dumping of municipal waste, sewage or sludge on the Property.

5. **Wells and Water Usage.** There is/are ___ water well(s) ("Well(s)") located on the Property. Tenant understands and acknowledges that nothing in this Lease confers on Tenant

AVWS000062

Exhibit F

any right to the use of water appurtenant to or associated with the Property, including to any water produced by the Wells.

6. **Operating and Maintenance Costs.** Tenant shall be responsible for all operating costs in connection with Tenant's use of the Property. Tenant shall keep and maintain the Property and any improvements thereon in good order and repair and in the same condition as when received, except for reasonable wear and tear.

7. **Property Taxes.** (i) Tenant shall pay prior to delinquency all personal property taxes or assessments levied upon Tenant's personal property situated on or about the Property during the term of this Lease, and (ii) Landlord shall pay all real property taxes or assessments levied in connection with the Property. During the term of this Lease, Tenant shall take no action in its operations or construct any improvements which will result in an increase in Landlord's liability for real property taxes.

8. **Insurance.** At all times during the term hereof and at Tenant's sole cost, Tenant shall maintain in full force and effect, for the protection of Landlord and Tenant, as their interests may appear, a policy or policies of insurance in form and substances reasonably satisfactory to Landlord and with insurers acceptable to Landlord, which afford the following coverages: (i) worker's compensation in the statutorily required amount, together with employer's liability coverage, (ii) comprehensive general liability insurance with an aggregate liability amount not less than \$1,000,000 combined single limit, and (iii) any other insurance required by law in connection with Tenant's use of the Property or otherwise reasonably requested by Landlord. Landlord shall be an additional insured pursuant to such policies and the insurance required by this Section shall be primary as respects Landlord and not contributory with any other available insurance, shall contain such endorsements as are acceptable to Landlord, and shall require not less than thirty (30) days prior notice to Landlord in the event of cancellation or modification.

9. **Hazardous Substances.**

(a) Except in compliance with applicable laws and regulations, Tenant shall not use, store or knowingly permit hazardous or toxic substances, materials or waste, or similar substances, as defined under applicable federal and state laws and regulations ("Hazardous Substances").

(b) Tenant shall comply with all federal, state and local environmental protection, occupational, health and safety and similar laws, ordinances, restrictions, licenses and regulations that may apply.

10. **Waste or Nuisance.** Tenant shall not commit, or permit others to commit, any waste upon the Property. Tenant shall not maintain, commit, or permit the maintenance or commission of any nuisance as defined by California Civil Code Section 3479 on the Property. Tenant shall not use or permit the use of the Property for any unlawful purpose or for any purpose other than that set forth herein.

11. **Right of Entry.** Landlord, or its agents, servants, employees or representatives may enter the Property at any reasonable time (i) for the purpose of ascertaining compliance by Tenant with the requirements of this Lease, (ii) in connection with Landlord's development, leasing or sale plans for the Property, if any, including but not limited to placing of "For Sale" or "For Rent" signs on the Property, or (iii) for the purpose of doing other lawful acts that may be necessary to protect Landlord's interest in the Property.

12. **Alterations and Mechanics' Liens.**

(a) Tenant shall not make or permit any alterations or improvements (excluding planting and cultivation of Crops and installing necessary irrigation systems) to the Property without the prior written consent of Landlord. The foregoing notwithstanding, Tenant may make necessary repairs to the Property and the improvements thereon as needed without Landlord's consent. Any alterations or improvements placed upon the Property shall be constructed in a good and workmanlike manner and shall be in full compliance with any applicable laws, ordinances and regulations. Upon termination or expiration of this Lease, all improvements and alterations other than trade fixtures shall be the property of Landlord, and no reimbursement to Tenant shall be required. Tenant shall remove all trade fixtures placed by Tenant on the Property on or before the expiration of this Lease.

(b) Any alterations or improvements placed upon the Property by Tenant shall be constructed at Tenant's sole cost and expense in the absence of Landlord's prior agreement to the contrary. Tenant shall keep the Property free and clear of any and all liens arising out of any work performed or materials furnished at the request of Tenant, or obligations incurred by Tenant.

13. **Liens, Taxes, Assessments, Utility Charges.** Tenant shall not permit to be enforced against the Property or any part thereof, any liens arising from Tenants use of the Property or from Tenant's failure to fully comply with the obligations set forth in this Lease, and Tenant shall discharge or post bond against all such liens before any action is brought to enforce the same.

14. **Default and Remedies.**

(a) Any failure by Tenant to pay rent within ten (10) days after receipt of written notice thereof from Landlord shall be deemed a default under this Lease. Any failure by Tenant to cure (or commence and diligently pursue cure) of any violation of any other covenant within thirty (30) days after receipt of written notice thereof from Landlord shall be deemed a default under this Lease. Any appointment of a receiver to take possession of all or substantially all of the assets of Tenant, any making of a general assignment by Tenant for the benefit of creditors, any filing by or against Tenant under any bankruptcy or insolvency act, or any levying of any writ of attachment or writ of execution against Tenant's interest in the Property or any Crops thereon, which shall not be satisfied or discharged by Tenant within sixty (60) days after receipt of written notice thereof from Landlord shall be deemed a default under this Lease.

(b) Upon any default by Tenant under the terms of this Lease, Landlord shall have the right to exercise any and all remedies available at law or in equity including, without limitation, the right to terminate Tenant's right to possession of the Property by any lawful means, in which case, this Lease shall terminate and Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default.

15. **Possession.** Tenant shall be granted possession of the Property upon both parties executing this Lease. Landlord represents that there are no leases affecting the Property in effect, and there are no parties claiming any right to possession of any portion of the Property.

16. **Landlord Right to Terminate.** If the Landlord sells the Property to a third party then the Landlord shall have the right to terminate this Lease upon 30 days written notice to the

Tenant subject to the Tenant's right to remain on the Property for a reasonable time to complete the harvest of Crops on the Property, if any.

17. **Notices.** All notices and other communications made pursuant hereto shall be in writing and shall be deemed properly delivered, given or served when (1) personally delivered, or (2) mailed by certified or registered mail, postage prepaid, return receipt requested and addressed to the other party at the address stated herein, or at an address the party may hereafter designate in writing:

TENANT: MARITORENA FARMS
A General Partnership
300 Panama Road
Bakersfield, California 93307
Attn: Jose Maritorena, General Partner
(661) 833-0329 phone

LANDLORD: Antelope Valley Water Storage, LLC
5700 Wilshire Blvd., Suite 330
Los Angeles, California 90036
Attn: Andrew Werner
(323) 936-9303 phone

17. **Attorney & Fees.** In the event of any litigation between Landlord and Tenant to interpret or enforce any of the provisions of the Lease or any right of either party hereto, the unsuccessful party to such litigation agrees to pay to the successful party all costs and expenses including, but not limited to, reasonable attorneys' fees, incurred therein by the successful party, all of which shall be included in and as a part of judgment rendered in such litigation.

18. **Waivers.** A waiver by any party of any of the terms and conditions of this Lease in any one instance shall not be deemed or construed to be a waiver of such term or condition for the future, or of any subsequent breach thereof, nor shall it be deemed a waiver of performance of any other obligation hereunder. No waiver by either party shall be effective unless contained in a writing signed by the waiving party.

19. **Successors and Assigns: Encumbrances.** This Lease shall be binding upon and shall insure to the benefit of the parties hereto and their respective successors and assigns. Tenant shall have the right to sublease the Property (or portions thereof) or assign its interest under this Lease, provided that Tenant remains liable under this Lease. Tenant shall have the right to encumber its interest under this Lease provided that in no event shall any encumbrance in any way affect or jeopardize Landlord's interest in the Property.

20. **Release of Landlord Upon Sale or Assignment.** Landlord shall have the right to sell the Property and/or assign its interest under this Lease, provided that in any such event Landlord agrees to and shall, as a condition precedent to any such sale and/or assignment, obtain written agreement from the buyer and/or assignee, in form and substance satisfactory to Tenant, to, subsequent to such sale and/or assignment, recognize and honor this Lease and all rights of Tenant hereunder.

21. **Holding Over.** Holding over by Tenant after the termination or expiration of this Lease shall not constitute a renewal or extension of the Lease.

22. **Condemnation.** In the event that during the term of this Lease, there is a total or partial taking of the Property by a public authority under the power of eminent domain, then the leasehold estate of Tenant in the Property shall cease and terminate as to that portion of the Property so taken, which termination shall be effective as of the date actual physical possession of said portion of the Property is taken. All compensation and damages awarded for the taking of all or any portion of the Property shall, except as otherwise herein provided, belong to and be the sole property of Landlord, provided however, that if the condemnation award includes an award for the value of Crops growing on the Property by Tenant, then the portion of the award so allocated to said Crops shall be payable to Tenant.

23. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

24. **Captions, Pronouns.** Any titles or captions contained in this Agreement are for convenience only and shall not be deemed part of the context of this Agreement. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as to the identification of the person or person, firm or firms, corporation or corporations may require.

25. **Entire Agreement.** This instrument contains the entire agreement of the parties relating to the rights granted and obligations assumed in this instrument and supersedes any and all other agreements, contracts or understandings between the parties. Any oral representations or modifications concerning this instrument shall be of no force or effect unless contained in a subsequent written modification signed by the party to be charged.

26. **No Brokers.** Each of the parties hereto represents that it has not used or engaged the services of any real estate broker in the negotiation of this Lease and that no real estate commissions are due upon execution or performance hereof. Each party hereto shall indemnify, defend and hold harmless the other party from any claims for real estate commissions resulting from the indemnifying party's breach of the representation set forth in this paragraph.

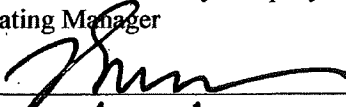
IN WITNESS WHEREOF, this Lease has been executed by the parties on and as of the date first written above.

[Signatures Follow on Next Page]

"LANDLORD"

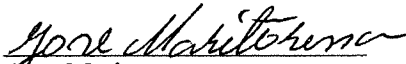
ANTELOPE VALLEY WATER STORAGE, LLC,
a Delaware limited liability company

By: Antelope Valley Public Water, LLC,
a Delaware limited liability company
its Operating Manager

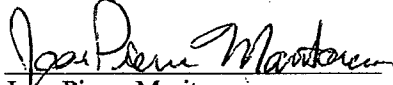
By: 
Its: Member

TENANT:

MARITORENA FARMS
A General Partnership


Jose Maritorena
General Partner


Marie Maritorena
General Partner


Jean Pierre Maritorena
General Partner

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PROOF OF SERVICE

I, Carol Bracken, certify and declare:

I am over the age of 18 years and not a party to this action. My business address is: HERUM \ CRABTREE, 5757 Pacific Avenue, Suite 222, Stockton, California 95207. On the date set forth below, I served the following document(s):

ANTELOPE VALLEY WATER STORAGE LLC'S RESPONSE TO AVEK'S MOTION IN LIMINE RE ADMISSION OF EVIDENCE AND ARGUMENT RELATING TO RETURN FLOWS

[X] BY ELECTRONIC SERVICE. By posting the document(s) listed above to the Santa Clara Superior Court website regarding the Antelope Valley Groundwater matter (Judicial Council Coordination Proceeding No. 4408, Santa Clara Case No. 1-05-CV-049053) pursuant to the Court's Clarification Order.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: May 3, 2013

 /s/ Carol Bracken
CAROL BRACKEN